

National Aeronautics and Space Administration

Headquarters

Washington, DC 20546-0001



March 31, 2008

Reply to Attn of:

TO: Distribution

FROM: Director, Program and Institutional Integration

SUBJECT: FY2008 Statement of Assurance

The Administrator is required by the Federal Managers Financial Integrity Act of 1982 to annually submit to the President and Congress a statement as to whether there is reasonable assurance that the Agency's internal controls are achieving their intended objectives, as well as a report on material weaknesses in our controls. Such controls are intended to ensure the effectiveness, efficiency, and safety of Agency operations; safeguard our assets from unauthorized use or disposition; and ensure compliance with applicable laws and standards.

To support the preparation of the Administrator's Statement of Assurance (SoA), the Senior Assessment Team (SAT), representing the Operations Management Council (OMC), continues to review and oversee actions by the Office of Internal Controls and Management Systems (OICMS) to develop the SoA assessment methodology and finalize the FY08 SoA documentation.

Therefore, as the Chair of the Senior Assessment Team, I am requesting that you provide to the Administrator, through OICMS, a Certification of Reasonable Assurance for your organization's implementation of internal controls by July 31, 2008. This certification should include a statement that you are in compliance with your overall internal control responsibilities; a statement that your internal controls are operating as intended; examples of major management assessment and review activities that support your assertion that controls are operating as intended; and summary descriptions of any significant control deficiencies or weaknesses of which you are aware and/or against which you are taking corrective action. I also request that you propose additions, deletions, or modifications to the Agency's watch list of significant control deficiencies based on the results of your internal control review over your areas of responsibility.

The Internal Control Handbook (available on the OICMS internal control webpage at <http://www.hq.nasa.gov/office/codej/codejm/IC/soa.html>) provides information and guidance to assist you with the completion of your certification. Part 3.6 of the handbook contains a template for the Certification of Reasonable Assurance letter. Part 3.4 contains the definitions of the three existing categories of significant Agency control weaknesses for reference should you identify new candidate weaknesses to submit. Part 3.3 is a summary of key Agency control objectives in the form of a survey (i.e., rating of green/yellow/red, plus accompanying comments that each Center or Headquarters Office may wish to provide). This survey is intended to be an aid to you as you think through,

for your organization, whether you have effective controls in place to mitigate common, but important, control risks. A link to a web-based version of this survey that OICMS has developed can be found on the webpage noted above. An evaluation tool is also part of this year's SoA process. The evaluation tool should be used to document internal controls for your work activities and processes in compliance with the 5 GAO standards as set forth in Part 2.2 in the Internal Control Handbook.

HQ Officials-in-Charge (OICs) may have oversight responsibilities over functions that occur at the Center level. As such, HQ OICs should identify the most significant activities or processes needing assessment and provide this list to their counterparts at the Centers. Centers are asked to include these significant HQ work activities and processes when completing the evaluation tool, in addition to the Center identified work activities and processes. To allow the OICs the time necessary to review and include all Center activity in their assessments, Centers should provide documentation of HQ control evaluations and assessments to OICMS by July 3, 2008.

OICMS plans to work closely with your organizations throughout the internal control review period to provide additional information, answer questions, and make any adjustments to the process that may be required. Toward that end, I request your internal control point-of-contact ensure that the review is performed according to guidance in the NASA Internal Control Program Handbook. Please provide your hardcopy certification to Lou Becker, Assistant Administrator for Internal Controls and Management Systems and email your complete documentation to Mike McFadden at Michael.mcfadden@nasa.gov with copies to John Werner at john.d.werner@nasa.gov and Dr. Marie Tynan at marie.k.tynan@nasa.gov.

Although we do not always think of it in internal control terms, NASA has very comprehensive and effective management control processes in operation. I look forward to your support in documenting these activities, and learning of potential issues, in support of the preparation of the Administrator's annual Statement of Assurance. In the meantime, if you have any questions about our overall approach to internal control or about the Statement of Assurance process specifically, please do not hesitate to contact Lou Becker, Assistant Administrator for Internal Controls and Management Systems, on 202-358-4593, or Mike McFadden, Lead for Internal Controls, on 202-358-1532.



Richard J. Keegan

Distribution

Assistant Administrator for External Relations/Mr. O'Brien
Associate Administrator for Aeronautics Research Mission Directorate/Dr. Shin
Associate Administrator for Exploration Systems Mission Directorate/Mr. Gilbrech
Associate Administrator for Institutions and Management/Mr. Luedtke
Associate Administrator for Program Analysis and Evaluation/Dr. Pace
Associate Administrator for Science Mission Directorate/Dr. Stern
Associate Administrator for Space Operations Mission Directorate/Mr. Gerstenmaier
Chief Engineer/Dr. Ryschkewitsch
Chief Financial Officer/Mr. Spoehele
Chief Health and Medical Officer/Dr. Williams
Chief Information Officer/Dr. Pettus
Deputy CIO/Director, Integrated Enterprise Management Program/Mr. German
Chief Safety and Mission Assurance/Mr. O'Connor
Chief of Strategic Communications/Mr. Hopkins
Director, Innovative Partnerships Program Office/Mr. Comstock
Director, Office of Program and Institutional Integration/Mr. Keegan
General Counsel/Mr. Wholley
Ames Research Center/Dr. Worden
Dryden Flight Research Center/Mr. Petersen
Glenn Research Center/Dr. Whitlow
Goddard Space Flight Center/Dr. Weiler
Johnson Space Center/Mr. Coats
Kennedy Space Center/Mr. Parsons
Langley Research Center/Ms. Roe
Marshall Space Flight Center/Mr. King
Stennis Space Center/Mr. Cabana

cc:

Associate Deputy Administrator/Mr. Scales
Assistant Associate Administrator/Ms. Johnson
Assistant Administrator for Internal Controls and Management Systems/Mr. Becker
Inspector General/Mr. Cobb